



December 10, 2012

Commissioner Mary Mayhew  
Maine Department of Health & Human Services  
State Street  
Augusta, Maine 04333

Subject: MaineCare Redesign Task Force Recommendations

Dear Commissioner Mayhew,

Thank you for the opportunity to comment on the recommendations of the MaineCare Redesign Task Force. I compliment you, your staff and the task force members for hours of dedicated service to the project.

As a priority, EMHS strongly urges DHHS to promptly transition toward population health accountable care organization strategies to align provider incentives to improve quality, lower the overall cost of care and accept risk on the care provided. EMHS, as one of the 32 Pioneer Accountable Care Organizations in the county is effectively implementing population health strategies for the Medicare population attributed to our ACO. CMS recently provided information to the Pioneer ACOs highlighting savings performance, EMHS ranks among the top performing ACOs in the country. MaineCare should focus on transforming payment into ACO type delivery models as a tier one priority initiative.

We also offer the following comment:

### **Short Term Strategies**

**Hospital Acquired Conditions & Readmission Penalties** We strongly urge the department to work closely with the Maine Hospital Association to develop the HAC and readmission policies. Policies should align incentives and penalties reflective of our unique populations, rural geography and health care infrastructure. Additionally, MaineCare should tier implementation to exempt providers and health systems that are engaged in the Patient Centered Medical Home, MaineCare Health Home and ACO risk based health care initiatives. These initiatives align improved quality outcomes, care management and reduced cost of care for MaineCare beneficiaries.

**Prior Authorization for Elective Surgeries** Once again we recommend MaineCare work closely with the Maine Hospital Association and the Maine Medical Association to evaluate the impact of this proposal. When individuals

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### **EMHS MEMBERS**

Acadia Hospital  
Affiliated Healthcare Systems  
Beacon Health  
Blue Hill Memorial Hospital  
Charles A. Dean  
Memorial Hospital  
Dirigo Pines  
Retirement Community  
Eastern Maine HomeCare  
Eastern Maine Medical Center  
EMHS Foundation  
Inland Hospital  
RossCare  
Sebastcook Valley Health  
TAMC



are denied elective but medically necessary surgery, the provider will likely be placed in a position of liability exposure if the surgery is not performed and, when performed, shifting the cost of the surgery into facility charity care policies further exacerbating Maine's cost shift challenge with the commercial market.

**MaineCare Leave Days** Eliminating leave day reimbursement for NF's, IMD and ICF MR facilities incentives the providers to fill vacant beds limiting and on occasion eliminating the ability of individuals to return to the community based care setting that often serves as their "home". For the relatively small value of the savings identified for this initiative, the disruption in care and extended hospital stays anticipated from challenges in discharge planning back into the community warrant removing this recommendation.

**Pharmacy Medicaid Management** This recommendation should be evaluated within the context of additional regulatory burdens on retail pharmacy. Maine has experienced the closing of community pharmacies due to inadequate MaineCare reimbursements. Any additional regulatory burden that adds cost to MaineCare retail pharmacy services will further exacerbate the challenge for retail pharmacies to continue serving MaineCare beneficiaries.

**Value Based Purchasing with Care Management Organization** *We must emphasize our strong opposition to this recommendation.* As a Pioneer ACO, we are currently demonstrating our ability to improve quality and decrease the cost of health care for our attributed populations. The Pioneer ACO model is a 5 year demonstration project with CMS during which we will transition to a capitated payment model of care for Medicare and risk based contracts with the commercial market. Blanketing our efficiency with external care management oversight will simply be funneling valuable MaineCare resources into administrative contracts that will bring **NO** value to the ACO provider. We strongly urge the department to exempt established Accountable Care Organizations from the inefficient regulatory burden that will be inherent in the external care management organization structure. *DHHS should focus on aligning ACO provider incentives for delivering on improving the quality of care for the MaineCare population and reducing the overall cost of care for this population.* We do note that during the task force discussion the MaineCare costs for specific populations including the developmentally disabled were noted to be significantly more than the national average. Should the state pursue external managed care oversight, targeting this population could provide program savings.

Thank you for the opportunity to comment on the MaineCare Redesign Task Force recommendations, we look forward to working with you and your leadership team supporting redesign of the MaineCare program.

Sincerely,



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EMHS Vice President Continuum of Care & Chief Advocacy Officer